



Tracie McGuire

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July 7, 2006

Dear Sir or Madam:

I am extremely concerned about the proposed Business Opportunity Rule R511993. I believe that in its current form it could prevent me from continuing as a Educational Consultant for Discovery Toys. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to continue to sell educational products from Discovery Toys.

I have been a Discovery Toys Educational Consultant for more than 2 years. I joined because I loved the toys and wanted them all for my children at a discount. I found that many of my friends and family wanted them too and so I started up the business and now I am able to make an income while still being a huge part of my children's lives. I do help support my family with the income I make from this business.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new Discovery Toys consultants. Discovery Toys offers a sales kit for only \$99.00 (plus shipping and tax). People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because this kit has a retail value of over \$200.00 so anyone who decides to purchase it is getting a substantial discount with no strings attached. They are also eligible to receive a \$99 rebate within 3 months if they choose to try the business. Discovery Toys does not require (nor do I ever suggest anyone to) purchase inventory. Purchasing inventory is completely unnecessary. Many consultants join because they want the kit and decide to use the consultant discount for other toys. Also, under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about the Discovery Toys opportunity and will then need to send in many reports to my company headquarters. This will take up more time than I am able to give. The reason I started up this business is to be able to spend less time at my computer, on the phone or away from home and more time with my children. This would become a huge time consumer and hence would take away time away from activities that help keep my business going.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. (I know this as I used to work in the area of law) It does not make sense to me that I would have to disclose these lawsuits unless Discovery Toys is found guilty. Otherwise, Discovery Toys and I are put at an unfair disadvantage even though no wrongdoing was found.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to

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strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals. Please make sure that what ever steps the FTC does to protect people doesn't also hurt them.

Thank you for your time in considering my comments.

Respectfully,

Tracie McGuire